

UNICO INCORPORATED
P. O. Box 777
Magalia, California 95954
530-873-4394

5/031/003
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Ray Brown
President

November 07, 2000

To: State of Utah
Division of Oil, Gas and Mining
1594 West Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801
c/o Wayne Hedberg and L. Kunzler

Re: Acquisition of Silver Bell Mining Company Incorporated


Dear Sirs:

As you are aware Unico is currently preparing the Deer Trail Mine for production. We are covered under a small mining permit. This permit is for the mining operation at both the upper and lower Deer Trail sites. This area is covered by a bond through the U.S. Forest Service. However, we are very interested in acquiring Silver Bell Mining Company, whom as you are aware is presently covered under a small mining permit for their future milling operation located below the Deer Trail mine area. This acquisition will put our disturbance over the limitations which we are presently permitted to operate. In the event that we do acquire Silver Bell, we are requesting that we be allowed to operate both sites under one permit. We will put up an interim bond of \$2,000 per acre for the total five acre mill site and upon acquiring Silver Bell Mining Company we would prepare and submit application for a large scale mine permit to cover both the mine and mill sites within 90 days for your approval.

The acquisition of Silver Bell Mining Company is a natural fit for our company and will enhance our operations in many ways. The ores that will be produced from the Silver Bell mine will fill in the gaps of our production at the Deer Trail mine. Also, the Silver Bell addition will increase our asset base which will aid dramatically in our efforts to secure further financing.

We hope this meets with your approval, as we are anxious to proceed with this purchase as soon as possible.

Sincerely,


Ray Brown, President

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DIVISION OF
OIL, GAS AND MINING